

KENTUCKY AGRI-NEWS



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FEATURING: * Agricultural Prices * Milk Production * Farm Labor * Annual Honey * Slaughter
* Cold Storage * Cattle on Feed * Chicken & Eggs * Crop Values * Farm Numbers

LIVESTOCK PRICES UP, GRAIN PRICES MIXED

Mid-February prices received by **Kentucky** farmers were up for livestock commodities while grain prices were mixed.

Prices for **Steers and heifers** 500 lbs. and over at mid-February averaged \$82.00 per cwt. This was \$2.00 above last month and \$15.00 above February a year ago. The February price was the highest since June 1993. **Beefcows** at \$37.00 per cwt. were \$3.00 above last month and last February. **Calves** under 500 lbs. averaged \$95.00 per cwt. an increase of \$2.00 over last month and up \$17.00 over last year. Calf prices were at their highest since July 1991.

Barrows and gilts at \$39.00 per cwt. were up \$4.00 from last month and \$8.00 over February a year ago. This compares with the price received in July 1998. **Sow** prices at mid-February averaged \$37.00 per cwt. This was up \$4.00 from last month and \$19.00 above February last year. The February price was the highest since October 1997.

The mid-February price for **all milk** averaged \$13.00 per cwt., 10 cents below January and \$5.40 below February a year ago. This is the lowest milk prices have been in 10 months.

Corn prices at mid-February averaged \$2.20 per bushel. This was up 3 cents from January while 4 cents below the February 1999 price. **Soybean** prices at \$4.95 per bushel were 10 cents above January and 4 cents above February a year ago. Soybean prices were at their highest in 13 months. Prices for **winter wheat** decreased 5 cents to \$2.45 per bushel at mid-February but were 7 cents above the same period last year.

The preliminary **U.S.** All Farm Products Index of Prices Received in February was 92 based on 1990-92=100, up 2 points (2.2 percent) from the January index. The seasonal change in the mix of commodities farmers sell affects the overall index. Higher seasonal marketings of milk, cattle, broilers, and hogs more than offset the relatively lower marketings of corn, soybeans, tobacco, and cotton. These marketing changes accounted for most of the February index increase. Higher prices for hogs, eggs, corn, and soybeans offset price decreases for lettuce, broilers, milk, and apples. Compared with February 1999, the All Farm Products Index was 4 points (4.2 percent) lower. Price decreases from February 1999 for milk, lettuce, oranges, and cotton more than offset price increases for cattle, hogs, calves, and apples.

AVERAGE PRICES RECEIVED BY FARMERS (Dollars)

| COMMODITY | UNIT | KENTUCKY | | | US |
|----------------------------|------|--------------|-------------|---------------------|-------------|
| | | FEB 1999 | JAN 2000 | FEB 2000 | FEB 2000 |
| | | Entire Month | | Mid-Month <i>a/</i> | |
| All Corn <i>b/ c/</i> | Bu. | 2.24 | 2.17 | 2.20 | 1.96 |
| Soybeans <i>b/</i> | Bu. | 4.91 | 4.85 | 4.95 | 4.75 |
| Winter Wheat <i>b/</i> | Bu. | 2.38 | 2.50 | 2.45 | 2.42 |
| Alfalfa Hay, baled | Ton | 125.00 | 122.00 | 123.00 | 77.40 |
| All Other Hay, baled | Ton | 81.00 | 79.00 | 80.00 | 66.70 |
| All Hogs | Cwt. | 30.50 | 34.90 | 38.90 | 39.60 |
| Barrows & Gilts | Cwt. | 31.00 | 35.00 | 39.00 | 39.90 |
| Sows | Cwt. | 18.00 | 33.00 | 37.00 | 36.10 |
| All Beef Cattle <i>d/</i> | Cwt. | 59.10 | 69.00 | 71.20 | 67.50 |
| Steers & Heifers <i>e/</i> | Cwt. | 67.00 | 80.00 | 82.00 | 70.80 |
| Cows | Cwt. | 34.00 | 34.00 | 37.00 | 37.00 |
| Calves <i>f/</i> | Cwt. | 78.00 | 93.00 | 95.00 | 105.00 |
| Milk Wholesale | | | | | |
| All | Cwt. | 18.40 | 13.10 | 13.00 | 11.80 |
| Fluid <i>g/</i> | Cwt. | 18.50 | 13.10 | -- | 11.90 |
| Manufactured | Cwt. | 9.80 | 10.10 | -- | 10.50 |
| Hog-Corn Ratios <i>h/</i> | Bu. | 13.6 | 16.1 | 17.7 | 20.2 |

a/ Preliminary. *b/* Includes contract sales paid during month. *c/* Includes yellow and white corn. *d/* "Steers and heifers" and "cows" combined. *e/* 500 lbs. and over. *f/* Under 500 lbs. *g/* Includes surplus diverted to manufacturing. *h/* Number of bushels of corn equal in value to 100 lbs. of hog live weight.

U. S. MILK PRODUCTION UP 4.7 PERCENT

Kentucky milk production for January 2000 totaled 147 million pounds, up 4 percent from a year earlier, and up 6 percent from last month. Average number of cows on farms at 130,000 head was down 5,000 from last year and unchanged from last month. Milk per cow averaged 1,130 pounds, up 80 pounds from January 1999 and up 60 pounds from December 1999.

Milk production in the **20 major States** during January totaled 12.2 billion pounds, up 4.7 percent from production

in these same States in January 1999. December revised production, at 11.9 billion pounds was up 4.0 percent from December 1998. The December revision represented an increase of 0.1 percent or 10 million pounds from last months preliminary production estimate. Production per cow in the 20 major States averaged 1,576 pounds for January, 58 pounds above January 1999. The number of cows on farms in the 20 major States was 7.76 million head, 69,000 head more than January 1999 and 6,000 head more than December 1999.

MILK COWS & MILK PRODUCTION DECEMBER & JANUARY, SELECTED STATES

| STATE | Revised December | | | | January | | | | |
|-----------|----------------------|------------|-----------------------|------------|----------------------|------------|-----------------------|------------|------------|
| | Milk Cows <u>1</u> / | | Production <u>2</u> / | | Milk Cows <u>1</u> / | | Production <u>2</u> / | | '00 % of |
| | 1998 | 1999 | 1998 | 1999 | 1999 | 2000 | 1999 | 2000 | '99 |
| | 1,000 Head | | Million Pounds | | 1,000 Head | | Million Pounds | | |
| CA | 1,438 | 1,488 | 2,380 | 2,641 | 1,444 | 1,492 | 2,440 | 2,708 | 111 |
| IL | 125 | 121 | 178 | 173 | 125 | 120 | 179 | 180 | 101 |
| IN | 137 | 138 | 190 | 187 | 137 | 139 | 186 | 198 | 107 |
| KY | 136 | 130 | 140 | 139 | 135 | 130 | 142 | 147 | 104 |
| MN | 545 | 540 | 801 | 807 | 545 | 540 | 820 | 829 | 101 |
| MO | 165 | 158 | 198 | 190 | 164 | 158 | 202 | 196 | 97 |
| OH | 261 | 258 | 371 | 377 | 260 | 259 | 372 | 381 | 102 |
| TX | 340 | 350 | 476 | 487 | 340 | 350 | 503 | 525 | 104 |
| VA | 122 | 120 | 155 | 168 | 122 | 119 | 158 | 166 | 105 |
| WI | 1,370 | 1,360 | 1,932 | 1,931 | 1,368 | 1,358 | 1,936 | 1,942 | 100 |
| 20-State | 7,696 | 7,757 | 11,471 | 11,928 | 7,694 | 7,763 | 11,679 | 12,232 | 105 |
| Total | | | | | | | | | |

1/ Includes dry cows, excludes heifers not yet fresh. 2/ Excludes milk sucked by calves.

U.S. FARM WAGE RATES RISE

There were 836,000 hired workers on the **Nation’s** farms and ranches the week of January 9-15, 2000, down 3 percent from a year ago. There were 666,000 workers hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 170,000 workers. Migrant workers accounted for 7.3 percent of the January hired workforce compared to 6.0 percent last year.

Farm operators paid their hired workers an average wage rate of \$8.12 per hour during the January 2000 survey week, up 18 cents from a year earlier. Field workers received an average of \$7.32 per hour, up 9 cents from last

January. Livestock workers earned \$7.64 per hour compared with \$7.31 a year earlier. The Field and Livestock worker combined wage rate was up 18 cents from last year.

The number of hired workers on farms in the **3-State Region including Kentucky**, Tennessee, and West Virginia totaled 21,000 during the week of January 9-15, 2000. Hired workers worked an average 30.6 hours during the survey week. The average wage rate for all hired workers was \$6.76 per hour. Field workers averaged \$6.22 per hour and livestock workers averaged \$6.93 per hour.

HONEY PRODUCTION

Honey production during 1999 for **Kentucky** totaled 150,000 pounds, unchanged from the previous year. Yield per colony averaged 50 pounds, unchanged from 1998. The number of colonies producing honey totaled 3,000, unchanged from 1998.

As of December 15, 1999, Kentucky producers had 12,000 pounds of honey on hand for sale, compared with 51,000 pounds the previous year. The average price received for all classes of honey during 1999 was \$1.24 per pound, compared with \$1.40 during 1998. The value of Kentucky honey production during 1999 was \$186,000, compared with \$210,000 a year ago.

U.S. honey production in 1999 from producers with five or more colonies totaled 205 million pounds, down 7 percent from 1998. There were 2.69 million colonies producing

honey in 1999, up 2 percent from 1998. Yield per colony averaged 76.3 pounds, down 7.4 pounds from the 83.7 pounds in 1998. Colonies which produced in more than one State were counted in each State and yields per colony may therefore be understated. Colonies were not counted if honey was not harvested. Producer honey stocks were 79.4 million pounds on December 15, 1999, down 2 percent from a year earlier.

Prices for the 1999 crop averaged 59.9 cents per pound, down 8 percent from 65.5 cents in 1998. Prices are based on retail sales by producers and sales to private processors and co-ops. At the State level, prices reflect the portions of honey sold retail, coop and private. At the U.S. level, prices for each color are derived by weighting quantities sold for each marketing channel. Coop and Private prices were lower for all color classes in 1999.

RED MEAT PRODUCTION

Commercial red meat production for the United States totaled 3.78 billion pounds in January, down 1 percent from the 3.83 billion pounds produced in January 1999. January 1999 contained 21 weekdays (including two holidays) and 5 Saturdays. January 2000 contained 21 weekdays (including holiday) and 5 Saturdays (including one holiday).

Beef production, at 2.18 billion pounds, was slightly above the previous year. Cattle slaughter totaled 2.94 million head, down 1 percent from 1999. The average live weight was up 9

COMMERCIAL RED MEAT PRODUCTION 1/

| Type | Jan. 1999 | Dec. 1999 | Jan. 2000 | Jan. 00 % of | |
|----------------|----------------|--------------|--------------|--------------|-----------|
| | | | | Jan. 1999 | Dec. 1999 |
| | Million Pounds | | | Percent | |
| Beef | 2,170 | *2,113 | 2,178 | 100 | 103 |
| Veal | 18 | *20 | 17 | 98 | 84 |
| Pork | *1,628 | *1,705 | 1,570 | 96 | 92 |
| Lamb & Mutton | 18 | 24 | 19 | 107 | 81 |
| Total U.S. | *3,833 | 3,862 | 3,784 | 99 | 98 |
| Total Kentucky | *48.9 | 39.2 | 37.6 | 77 | 96 |

1/ Based on packers’ dressed weights and excludes farm slaughter. * Revised.

COMMERCIAL SLAUGHTER, JANUARY 1999 & 2000 1/

| Type | Number Slaughtered | | Total Live Weight | | Average Live | |
|-----------------|--------------------|------|-------------------|-------|--------------|------|
| | 1999 | 2000 | 1999 | 2000 | 1999 | 2000 |
| | 1,000 head | | 1,000 lbs. | | Pounds | |
| Kentucky | | | | | | |
| Cattle | 5.5 | 1.6 | 5,584 | 1,355 | 1,024 | 862 |

pounds from the previous year at 1,229 pounds.

Pork production totaled 1.57 billion pounds, down 4 percent from the previous year. Hog kill totaled 8.14 million head, 5 percent below 1999. The average live weight was 3 pounds above the previous year, at 262 pounds.

Frozen food stocks in refrigerated warehouses on January 31, 2000, were greater than year earlier levels for butter and chicken. January 2000 stocks of chicken, at 800 million pounds, broke the previous record January high of 717 million pounds set in 1999. Cooler stocks of pecans and peanuts were also higher than a year earlier.

| | | | | | | |
|----------------------|----------|---------|-----------|----------|-------|-------|
| Hogs | 233.0 | 186.0 | 60,965 | 49,428 | 262 | 266 |
| Sheep & Lambs | 0.4 | 0.4 | 61 | 53 | 149 | 119 |
| United States | | | | | | |
| Cattle | *2,961.3 | 2,936.9 | *3,612,64 | 3,610,15 | 1,220 | 1,229 |
| Hogs | *8,553.7 | 8,140.8 | *2,215,15 | 2,132,80 | 259 | 262 |
| Sheep & Lambs | *268.7 | 281.7 | *35,941 | 38,645 | 134 | 137 |

1/ Includes slaughter under Federal inspection and other Commercial slaughter, excludes farm slaughter. * Revised.

COLD STORAGE HIGHLIGHTS

| All U. S. Warehouse Stocks | | | | Jan 00 as % of | |
|----------------------------|--------------|-----------|-----------|----------------|-----|
| Commodity | Jan 31, 1999 | Dec 31, | Jan 31, | Jan 1999 | Dec |
| Frozen Poultry | 1,000 lbs | | | Percent | |
| Chicken: | | | | | |
| Broilers (Whole) | 22,947 | 34,692 | 35,807 | 156 | 103 |
| Other Chicken | 686,240 | 760,904 | 757,051 | 110 | 99 |
| Total Chicken 1/ | 716,751 | 803,359 | 799,927 | 112 | 100 |
| Turkey | 363,841 | 254,251 | 312,165 | 86 | 123 |
| Total Frozen Poultry | 1,084,769 | 1,061,370 | 1,116,102 | 103 | 105 |
| Meat | | | | | |
| Total Frozen Beef | 301,095 | 314,162 | 307,571 | 102 | 98 |
| Pork: | | | | | |
| Bellies | 82,605 | 40,300 | 43,761 | 53 | 109 |
| Total Frozen Pork | 510,315 | 415,378 | 442,943 | 87 | 107 |
| Total Meat 4/ | 833,045 | 748,341 | 771,159 | 93 | 103 |

1/ Includes broilers, hens and other chickens. 2/ Includes chicken, turkey and ducks. 3/ Includes picnics, hams, bellies, loins, spareribs, trimmings, and other frozen pork. 4/ Includes frozen beef, pork, veal, lamb and mutton, other frozen meat, canned hams, and other canned meat.

U. S. CATTLE ON FEED

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.58 million head on February 1, 2000 The inventory was 10 percent above February 1, 1999 and 7 percent above February 1, 1998. **Placements in feedlots** during January totaled 2.23 million, 15 percent above 1999 and 29 percent above 1998. Net placements were 2.16 million. During January, placements of cattle and calves weighing less than 600 pounds were 494,000, 600-699 pounds were 696,000, 700-799 pounds were 654,000, and 800 pounds and greater were 382,000. **Marketings** of fed cattle during January totaled 2.05 million, 1 percent above 1999 and 3 percent above 1998. **Other disappearance** totaled 69,000 during January, 1 percent below 1999 and 30 percent below 1998.

CATTLE ON FEED 7 STATES 1/

Cattle on feed February 1, 2000 in the 7 States for feedlots with capacity of 1,000 or more head totaled 9.89 million, up 11 percent from the previous year and 8 percent above February 1, 1998. **Placements in feedlots** during January totaled 1.93 million, 15 percent above 1999 and 29 percent above 1998. **Marketings** during January totaled 1.75 million, 1 percent above 1999 and 3 percent above 1998. **Other disappearance** during January was 51,000 head, 9 percent above 1999 but 35 percent below 1998.

1/AZ, CA, CO, IA, KS, NE, AND TX.

UNITED STATES EGG PRODUCTION & HATCH

| Type | | Jan. 1999 | Jan. 2000 | Jan. 00 % of Jan. 99 |
|--------------------------|-----------|-----------|-----------|----------------------|
| Egg Production | | | | |
| Eggs Produced | (Million) | 6,979 | 7,150 | 102 |
| Average Layers | (000) | 322,326 | 328,578 | 102 |
| Eggs Per 100 Layers | | 2,165 | 2,176 | 101 |
| Egg Type Hatchery | | | | |
| Eggs Set Feb. 1 | (000) | 33,876 | 32,847 | 97 |
| Chicks Hatched | (000) | 35,653 | 34,125 | 96 |
| Broiler Type | | | | |
| Eggs Set Feb. 1 | (000) | 607,412 | 620,179 | 102 |
| Chicks Hatched | (000) | 735,348 | 749,375 | 102 |

KENTUCKY CROPS VALUED AT \$1.63 BILLION

The value of crops produced in 1999 by Kentucky farmers totaled \$1.63 billion, down 12 percent from the 1998 value of \$1.84 billion. Crop yields with the exception of wheat, barley and grain sorghum were hurt by the dry, hot summer. Kentucky’s number one cash crop, tobacco, decreased 8 percent in value of production from the 1998 value. Tobacco accounted for 47.9 percent of Kentucky’s total crop value for 1999 and 33.5 percent of the U.S. value of tobacco produced. Kentucky’s other four major crops - hay, corn, soybeans, and wheat - all decreased in value. Kentucky ranked 20th among all states in value of production. The value of production for 1999 is

preliminary and based on an estimate of market year average prices. Value of production will change as market year average price and/or production are revised.

All crops produced in the U.S. for 1999 were valued at \$87.1 billion, down 4.6 percent from 1998. California continued as the number one State with a total crop value of \$14.5 billion. Iowa was second with \$5.83 billion, followed by Illinois with \$5.72 billion. The Nation’s top three crops in value of production were corn with \$18.0 billion, soybeans with \$12.5 billion and all baled hay with \$10.9 billion.

KENTUCKY PRINCIPAL CROPS RANKED ACCORDING TO VALUE OF PRODUCTION-1998 AND 1999

| 1999 Rank | Commodity | Unit | 1998 Crop Year <u>1</u> / | | | 1999 Crop Year <u>2</u> / | | | 99 Value as % of 98 Value |
|-----------|--------------------|------|---------------------------|-----------|------------------|---------------------------|-----------|------------------|---------------------------|
| | | | Price | Value | % of Total Value | Price | Value | % of Total Value | |
| | | | (Dollars) | (\$1,000) | | (Dollars) | (\$1,000) | | |
| 1. | Tobacco, All | Lb. | 1.917 | 850,470 | 46.2 | 1.926 | 779,911 | 47.9 | 92 |
| 2. | Hay (baled) | Ton | 86.00 | 450,590 | 24.5 | 91.50 | 403,455 | 24.8 | 90 |
| 3. | Corn (for grain) | Bu. | 2.17 | 294,469 | 16.0 | 2.15 | 266,385 | 16.4 | 90 |
| 4. | Soybeans | Bu. | 5.15 | 185,400 | 10.0 | 4.95 | 119,543 | 7.3 | 64 |
| 5. | Wheat | Bu. | 2.26 | 55,935 | 3.0 | 2.15 | 52,890 | 3.2 | 95 |
| 6. | Fruit & Vegetables | | | 3,119 | .2 | | 2,696 | .2 | 86 |
| 7. | Sorghum, Grain | Bu. | 1.98 | 1,267 | .1 | 1.75 | 1,120 | .1 | 88 |
| 8. | Barley | Bu. | 1.31 | 578 | * | 1.30 | 832 | .1 | 144 |
| 9. | Miscellaneous | | | 128 | * | | 80 | * | 63 |
| | TOTAL | | | 1,841,956 | | | 1,626,912 | | 88 |

1/ Revised. 2/ Preliminary. * Less than .1%

KENTUCKY FARM NUMBERS UP

Kentucky’s number of farms for 1999 totaled 91,000. This was up 1,000 farms from the number in 1998. The increase in number of farms can be attributed to an increase in the number of small farms. A farm is defined as “any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year”. Government payments are included in sales. Institutional farms, experimental and research farms, and Indian Reservations are included as farms. Places with their entire acreage enrolled in the Conservation Reserve Program, set aside, or other government programs are considered operating farms. Nationally, Kentucky ranks fourth tying Tennessee in number of farms. Ranking ahead of Kentucky are Texas with 227,000, Missouri with 110,000, and Iowa with 96,000. Of the 91,000 Kentucky farms, 52,000 had sales of \$1,000-\$9,999, 33,000 had sales of \$10,000-\$99,999 and 6,000 had sales of \$100,000 and over. Land in farms was estimated at 13.6 million acres, down 200,000 acres from 1998. Metropolitan expansion continues to take farmland out of agricultural production. Farmland

in Kentucky accounted for 54 percent of the approximate 25.4 million total acres in the State. The average farm size in Kentucky for 1999 was 149 acres, down from last year’s 154 acres.

The number of farms in the United States in 1999 was estimated at 2.19 million, up fractionally from 1998. The increase in farm numbers can be attributed to the continued rise in the number of small farms. Total land in farms, at 947.3 million acres, was down 0.7 percent or 6.16 million acres from last year. This decline in land in farms continues the historical trend of less land in farms. The average farm size decreased 3 acres from 1998 to 432 acres. The U.S. number of farms in the \$1,000-\$9,999 economic sales class increased 15,690 to 1,196,640 in 1999. Those with sales in the \$10,000-\$99,999 economic sales class decreased 3,760 from 1998 to 648,550 farms. The \$100,000 and over sales class dropped 9,220 farms from 1998 to 348,880 in 1999. The drop in this class was attributed to low commodity prices during 1999.

Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>

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